

108TH CONGRESS  
1ST SESSION

# S. 786

To amend the temporary assistance to needy families program under part A of title IV of the Social Security Act to provide grants for transitional jobs programs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 3, 2003

Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, and Mr. BREAU) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the temporary assistance to needy families program under part A of title IV of the Social Security Act to provide grants for transitional jobs programs, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Business Links Act  
5       of 2003”.

1 **SEC. 2. TRANSITIONAL JOBS GRANTS.**

2 (a) IN GENERAL.—Section 403(a)(4) of the Social  
3 Security Act (42 U.S.C. 603(a)(4)) is amended to read  
4 as follows:

5 “(4) INNOVATIVE BUSINESS LINK PARTNERSHIP  
6 GRANTS.—

7 “(A) IN GENERAL.—The Secretary and the  
8 Secretary of Labor (in this paragraph referred  
9 to as the “Secretaries”) jointly shall award  
10 grants in accordance with this paragraph for  
11 projects proposed by eligible applicants based  
12 on the following:

13 “(i) The potential effectiveness of the  
14 proposed project in carrying out the activi-  
15 ties described in subparagraph (E).

16 “(ii) Evidence of the ability of the eli-  
17 gible applicant to leverage private, State,  
18 and local resources.

19 “(iii) Evidence of the ability of the eli-  
20 gible applicant to coordinate with other or-  
21 ganizations at the State and local level.

22 “(B) DEFINITION OF ELIGIBLE APPLI-  
23 CANT.—

24 “(i) IN GENERAL.—In this paragraph,  
25 the term ‘eligible applicant’ means a non-  
26 profit organization, a local workforce in-

vestment board established under section  
117 of the Workforce Investment Act of  
1998 (29 U.S.C. 2832), a State, a political  
subdivision of a State, or an Indian tribe.

“(ii) GRANTS TO PROMOTE BUSINESS  
LINKAGES.—

“(I) ADDITIONAL ELIGIBLE AP-  
PLICANT.—Only for purposes of  
grants to carry out the activities de-  
scribed in subparagraph (E)(i), the  
term ‘eligible applicant’ includes an  
employer.

“(II) ADDITIONAL REQUIRE-  
MENT.—In order to qualify as an eli-  
gible applicant for purposes of sub-  
paragraph (E)(i), the applicant must  
provide evidence that the application  
has been developed by and will be im-  
plemented by a local or regional con-  
sortium that includes, at minimum,  
employers or employer associations,  
and education and training providers,  
in consultation with local labor orga-  
nizations and social service providers

1                   that work with low-income families or  
2                   individuals with disabilities.

3                   “(C) REQUIREMENTS.—

4                   “(i) IN GENERAL.—In awarding  
5                   grants under this paragraph, the Secre-  
6                   taries shall—

7                   “(I) consider the needs of rural  
8                   areas and cities with large concentra-  
9                   tions of residents with an income that  
10                  is less than 150 percent of the poverty  
11                  line; and

12                  “(II) ensure that—

13                  “(aa) all of the funds made  
14                  available under this paragraph  
15                  (other than funds reserved for  
16                  use by the Secretaries under sub-  
17                  paragraph (J)) shall be used for  
18                  activities described in subpara-  
19                  graph (E);

20                  “(bb) not less than 40 per-  
21                  cent of the funds made available  
22                  under this paragraph (other than  
23                  funds so reserved) shall be used  
24                  for activities described in sub-  
25                  paragraph (E)(i); and

1 “(cc) not less than 40 per-  
 2 cent of the funds made available  
 3 under this paragraph (other than  
 4 funds so reserved) shall be used  
 5 for the activities described in  
 6 subparagraph (E)(ii).

7 “(ii) CONTINUATION OF AVAIL-  
 8 ABILITY.—If any portion of the funds re-  
 9 quired to be used for activities referred to  
 10 in item (bb) or (cc) of clause (i)(II) are not  
 11 awarded in a fiscal year, such portion shall  
 12 continue to be available in the subsequent  
 13 fiscal year for the same activity, in addi-  
 14 tion to other amounts that may be avail-  
 15 able for such activities for that subsequent  
 16 fiscal year.

17 “(D) DETERMINATION OF GRANT  
 18 AMOUNT.—

19 “(i) IN GENERAL.—Subject to clause  
 20 (ii), in determining the amount of a grant  
 21 to be awarded under this paragraph for a  
 22 project proposed by an eligible applicant,  
 23 the Secretaries shall provide the eligible  
 24 applicant with an amount sufficient to en-  
 25 sure that the project has a reasonable op-

portunity to be successful, taking into account—

“(I) the number and characteristics of the individuals to be served by the project;

“(II) the level of unemployment in the area to be served by the project;

“(III) the job opportunities and job growth in such area;

“(IV) the poverty rate for such area; and

“(V) such other factors as the Secretary deems appropriate in such area.

“(ii) MAXIMUM AWARD FOR GRANTS TO PROMOTE BUSINESS LINKAGES OR PROVIDE TRANSITIONAL JOBS PROGRAMS.—

“(I) IN GENERAL.—In the case of a grant to carry out activities described in clause (i) or (ii) of subparagraph (E), an eligible applicant awarded a grant under this paragraph may not receive more than

1                   \$10,000,000 per fiscal year under the  
2                   grant.

3                   “(II) RULE OF CONSTRU-  
4                   TION.—Nothing in subclause (I) shall  
5                   be construed as precluding an other-  
6                   wise eligible applicant from receiving  
7                   separate grants to carry out activities  
8                   described in clause (i) or (ii) of sub-  
9                   paragraph (E).

10                  “(iii) GRANT PERIOD.—The period in  
11                  which a grant awarded under this para-  
12                  graph may be used shall be specified for a  
13                  period of not less than 36 months and not  
14                  more than 60 months.

15                  “(E) ALLOWABLE ACTIVITIES.—An eligible  
16                  applicant awarded a grant under this paragraph  
17                  shall use funds provided under the grant to do  
18                  the following:

19                         “(i) PROMOTE BUSINESS LINKAGES.—

20                                 “(I) IN GENERAL.—To promote  
21                                 business linkages in which funds shall  
22                                 be used to fund new or expanded pro-  
23                                 grams that are designed to—

24   “(aa) substantially increase  
25   the wages of eligible individuals

1 (as defined in subparagraph (F)),  
2 whether employed or unemployed,  
3 who have limited English pro-  
4 ficiency or other barriers to em-  
5 ployment by creating or upgrad-  
6 ing job and related skills in part-  
7 nership with employers, especially  
8 by providing supports and serv-  
9 ices at or near work sites; and

10 “(bb) identify and strength-  
11 en career pathways by expanding  
12 and linking work and training  
13 opportunities for such individuals  
14 in collaboration with employers.

15 “(II) CONSIDERATION OF IN-  
16 KIND, IN-CASH RESOURCES.—In de-  
17 termining which programs to fund  
18 under this clause, an eligible applicant  
19 awarded a grant under this paragraph  
20 shall consider the ability of a consor-  
21 tium to provide funds in-kind or in-  
22 cash (including employer-provided,  
23 paid release time) to help support the  
24 programs for which funding is sought.



1                   “(III) PRIORITY.—In deter-  
2                   mining which programs to fund under  
3                   this clause, an eligible applicant  
4                   awarded a grant under this paragraph  
5                   shall give priority to programs that  
6                   include education or training for  
7                   which participants receive credit to-  
8                   ward a recognized credential, such as  
9                   an occupational certificate or license.

10                   “(IV) USE OF FUNDS.—

11                   “(aa) IN GENERAL.—Funds  
12                   provided to a program under this  
13                   clause may be used for a com-  
14                   prehensive set of employment and  
15                   training benefits and services, in-  
16                   cluding job development, job  
17                   matching, workplace supports  
18                   and accommodations, curricula  
19                   development, wage subsidies, re-  
20                   tention services, and such other  
21                   benefits or services as the pro-  
22                   gram deems necessary to achieve  
23                   the overall objectives of this  
24                   clause.

1                   “(bb) PROVISION OF SERV-  
 2                   ICES.—So long as a program is  
 3                   principally designed to assist eli-  
 4                   gible individuals, (as defined in  
 5                   subparagraph (F)), funds may be  
 6                   provided to a program under this  
 7                   clause that also serves low-earn-  
 8                   ing employees of 1 or more em-  
 9                   ployers even if such individuals  
 10                  are not within the definition of  
 11                  eligible individual (as so defined).

12                  “(ii) PROVIDE FOR TRANSITIONAL  
 13                  JOBS PROGRAMS.—

14                  “(I) IN GENERAL.—To provide  
 15                  for wage-paying transitional jobs pro-  
 16                  grams which combine time-limited em-  
 17                  ployment in the public or nonprofit  
 18                  private sector that is subsidized with  
 19                  public funds with skill development  
 20                  and activities to remove barriers to  
 21                  employment, pursuant to an individ-  
 22                  ualized plan (or, in the case of an eli-  
 23                  gible individual described in subpara-  
 24                  graph (F)(i), an individual responsi-  
 25                  bility plan developed for an individual

1 under section 408(b)). Such programs  
2 also shall provide job development and  
3 placement assistance to individual  
4 participants to help them move from  
5 subsidized employment in transitional  
6 jobs into unsubsidized employment, as  
7 well as retention services after the  
8 transition to unsubsidized employ-  
9 ment.

10 “(II) ELIGIBLE PARTICIPANTS.—

11 The Secretary shall ensure that indi-  
12 viduals who participate in transitional  
13 jobs programs funded under a grant  
14 made under this paragraph shall be  
15 individuals who have been unemployed  
16 because of limited skills, experience,  
17 or other barriers to employment, and  
18 who are eligible individuals (as de-  
19 fined in subparagraph (F)), provided  
20 that so long as a program is designed  
21 to, and principally serves, eligible indi-  
22 viduals (as so defined), a limited num-  
23 ber of individuals who are unemployed  
24 because of limited skills, experience,  
25 or other barriers to employment, and

1 who have an income below 100 per-  
2 cent of the Federal poverty line but  
3 who do not satisfy the definition of el-  
4 igible individual (as so defined) may  
5 be served in the program to the extent  
6 the Secretaries determine that the in-  
7 clusion of such individuals in the pro-  
8 gram is appropriate.

9 “(III) USE OF FUNDS.—Funds  
10 provided to a program under this  
11 clause may only be used in accordance  
12 with the following:

13 “(aa) To create subsidized  
14 transitional jobs in which work  
15 shall be performed directly for  
16 the program operator or at other  
17 public and non profit organiza-  
18 tions (in this subclause referred  
19 to as ‘worksite employers’) in the  
20 community, and in which 100  
21 percent of the wages shall be  
22 subsidized, except as described in  
23 item (ff) regarding placements in  
24 the private, for profit sector.

1           “(bb) Participants shall be  
2           paid at the rate paid to unsub-  
3           sidized employees of the worksite  
4           employer who perform com-  
5           parable work at the worksite  
6           where the individual is placed. If  
7           no other employees perform the  
8           same or comparable work then  
9           wages shall be set, at a min-  
10          imum, at 50 percent of the  
11          Lower Living Standard Income  
12          Level (commonly referred to as  
13          the ‘LLSIL’), as determined  
14          under section 101(24) of the  
15          Workforce Investment Act of  
16          1998 (29 U.S.C. 2801(24)), for  
17          a family of 3 based on 35 hours  
18          per week.

19           “(cc) Transitional jobs shall  
20          be limited to not less than 6  
21          months and not more than 24  
22          months, however, nothing shall  
23          preclude a participant from mov-  
24          ing into unsubsidized employ-  
25          ment at a point prior to the max-

1           imum duration of the transitional  
2           job placement. Participants shall  
3           be paid wages based on a work-  
4           week of not less than 30 hours  
5           per week or more than 40 hours  
6           per week, except that a parent of  
7           a child under the age of 6, a  
8           child who is disabled, or a child  
9           with other special needs, or an  
10          individual who for other reasons  
11          cannot successfully participate  
12          for 30 to 40 hours per week, may  
13          be allowed to participate for more  
14          limited hours, but not less than  
15          20 hours per week. In any work  
16          week, 50 percent to 80 percent of  
17          hours shall be spent in the tran-  
18          sitional job and 20 percent to 50  
19          percent of hours shall be spent in  
20          education or training, or other  
21          services designed to reduce or  
22          eliminate any barriers.

23               “(dd) Program operators  
24               shall provide case management  
25               services and ensure access to ap-

1 appropriate education, training, and  
2 other services, including job ac-  
3 commodation, work supports, and  
4 supported employment, as appro-  
5 priate and consistent with an in-  
6 dividual plan that is based on the  
7 individual's strengths, resources,  
8 priorities, concerns, abilities, ca-  
9 pabilities, career interests, and  
10 informed choice and that is devel-  
11 oped with each participant. The  
12 goal of each participant's plan  
13 shall focus on preparation for un-  
14 subsidized jobs in demand in the  
15 local economy which offer the po-  
16 tential for advancement and  
17 growth. Services shall also in-  
18 clude job placement assistance  
19 and retention services, which may  
20 include coaching and work place  
21 supports, for 12 months after  
22 entry into unsubsidized place-  
23 ment. Participants shall also re-  
24 ceive support services such as  
25 subsidized child care and trans-

1           portation, on the same basis as  
2           those services are made available  
3           to recipients of assistance under  
4           the State program funded under  
5           this part who are engaged in  
6           work-related activities.

7           “(ee) Providers shall work  
8           with individual recipients to de-  
9           termine eligibility for other em-  
10          ployment-related supports which  
11          may include (but are not limited  
12          to) supported employment, other  
13          vocational rehabilitation services,  
14          and programs or services avail-  
15          able under the Workforce Invest-  
16          ment Act of 1998 (29 U.S.C.  
17          2801 et seq.), or the ticket to  
18          work and self-sufficiency program  
19          established under section 1148,  
20          and, to the extent possible, shall  
21          provide transitional employment  
22          in collaboration with entities pro-  
23          viding, or arranging for the pro-  
24          vision of, such other supports.



1           “(ff) Not more than 20 per-  
2 cent of the placements for a  
3 grantee shall be with a private  
4 for-profit company, except that  
5 such 20 percent limit may be  
6 waived by the Secretary for pro-  
7 grams in rural areas when the  
8 grantee can demonstrate insuffi-  
9 cient public and non-profit work-  
10 sites. When a placement is made  
11 at a private for-profit company,  
12 the company shall pay 50 percent  
13 of program costs (including  
14 wages) for each participant, and  
15 the company shall agree, in writ-  
16 ing, to hire each participant into  
17 an unsubsidized position at the  
18 completion of the agreed upon  
19 subsidized placement, or sooner,  
20 provided that the participant’s  
21 job performance has been satis-  
22 factory. Not more than 5 percent  
23 of the workforce of a private for-  
24 profit company may be composed  
25 of transitional jobs participants.

1                   “(IV) DEFINITION OF TRANSI-  
2                   TIONAL JOBS PROGRAM.—In this  
3                   clause, the term ‘transitional jobs pro-  
4                   gram’ means a program that is in-  
5                   tended to serve current and former re-  
6                   cipients of assistance under a State or  
7                   tribal program funded under this part  
8                   and other low-income individuals who  
9                   have been unable to secure employ-  
10                  ment through job search or other em-  
11                  ployment-related services because of  
12                  limited skills, experience, or other bar-  
13                  riers to employment.

14               “(iii) CAPITALIZATION.—To develop  
15               capitalization procedures for the delivery of  
16               self-sustainable social services.

17               “(iv) ADMINISTRATIVE EXPENDI-  
18               TURES.—Not more than 5 percent of the  
19               funds awarded to an eligible applicant  
20               under this paragraph may be used for ad-  
21               ministrative expenditures incurred in car-  
22               rying out the activities described in clause  
23               (i), (ii), or (iii) or for expenditures related  
24               to carrying out the assessments and re-  
25               ports required under subparagraph (H).

“(F) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this paragraph, the term ‘eligible individual’ means—

“(i) an individual who is a parent who is a recipient of assistance under a State or tribal program funded under this part;

“(ii) an individual who is a parent who has ceased to receive assistance under such a State or tribal program;

“(iii) an individual who is at risk of receiving assistance under a State or tribal program funded under this part;

“(iv) an individual with a disability; or

“(v) a noncustodial parent who is unemployed, or is having difficulty in paying child support obligations, including such a parent who is a former criminal offender.

“(G) APPLICATION.—Each eligible applicant desiring a grant under this paragraph shall submit an application to the Secretaries at such time, in such manner, and accompanied by such information as the Secretaries may require.

“(H) ASSESSMENTS AND REPORTS BY GRANTEEES.—

1           “(i) IN GENERAL.—An eligible appli-  
2           cant that receives a grant under this para-  
3           graph shall assess and report on the out-  
4           comes of programs funded under the  
5           grant, including the identity of each pro-  
6           gram operator, demographic information  
7           about each participant, including education  
8           level, literacy level, prior work experience  
9           and identified barriers to employment, the  
10          nature of education, training, or other  
11          services received by the participant, the  
12          reason for the participant’s leaving the  
13          program, and outcomes related to the  
14          placement of the participant in an unsub-  
15          sidized job, including 1-year employment  
16          retention, wage at placement, benefits, and  
17          earnings progression, as specified by the  
18          Secretaries.

19          “(ii) ASSISTANCE.—The Secretaries  
20          shall—

21                 “(I) assist grantees in conducting  
22                 the assessment required under clause  
23                 (i) by making available where prac-  
24                 ticable low-cost means of tracking the

1 labor market outcomes of partici-  
2 pants; and

3 “(II) encourage States to provide  
4 such assistance.

5 “(I) APPLICATION TO REQUIREMENTS OF  
6 THE STATE PROGRAM.—

7 “(i) WORK PARTICIPATION REQUIRE-  
8 MENTS.—With respect to any month in  
9 which a recipient of assistance under a  
10 State or tribal program funded under this  
11 part who satisfactorily participates in a  
12 business linkage or transitional jobs pro-  
13 gram described in subparagraph (E) that  
14 is paid for with funds made available  
15 under a grant made under this paragraph,  
16 such participation shall be considered to  
17 satisfy the work participation requirements  
18 of section 407 and be included for pur-  
19 poses of determining monthly participation  
20 rates under subsection (b)(1)(B)(i) of that  
21 section.

22 “(ii) PARTICIPATION NOT CONSID-  
23 ERED ASSISTANCE.—A benefit or service  
24 provided with funds made available under  
25 a grant made under this paragraph shall

1 not be considered assistance for any pur-  
2 pose under a State or tribal program fund-  
3 ed under this part.

4 “(J) ASSESSMENTS BY THE SECRE-  
5 TARIES.—

6 “(i) RESERVATION OF FUNDS.—Of  
7 the amount appropriated under subpara-  
8 graph (L) for each of fiscal years 2004  
9 and 2005, \$3,000,000 of such amount for  
10 each such fiscal year is reserved for use by  
11 the Secretaries to prepare an interim and  
12 final report summarizing and synthesizing  
13 outcomes and lessons learned from the  
14 programs funded through grants awarded  
15 under this paragraph.

16 “(ii) INTERIM AND FINAL ASSESS-  
17 MENTS.—With respect to the reports pre-  
18 pared under clause (i), the Secretaries  
19 shall submit—

20 “(I) the interim report not later  
21 than 4 years after the date of enact-  
22 ment of the Business Links Act of  
23 2003; and

1 “(II) the final report not later  
 2 than 6 years after such date of enact-  
 3 ment.

4 “(K) EVALUATIONS.—

5 “(i) RESERVATION OF FUNDS.—Of  
 6 the amount appropriated under subpara-  
 7 graph (L) for a fiscal year, an amount  
 8 equal to 1.5 percent of such amount for  
 9 each such fiscal year shall be reserved for  
 10 use by the Secretaries to conduct evalua-  
 11 tions in accordance with the requirements  
 12 of clause (ii).

13 “(ii) REQUIREMENTS.—The Secre-  
 14 taries—

15 “(I) shall develop a plan to evalu-  
 16 ate the extent to which programs  
 17 funded under grants made under this  
 18 paragraph have been effective in pro-  
 19 moting sustained, unsubsidized em-  
 20 ployment for each group of eligible  
 21 participants, and in improving the  
 22 skills and wages of participants in  
 23 comparison to the participants’ skills  
 24 and wages prior to participation in  
 25 the programs;

1 “(II) may evaluate the use of  
2 such a grant by a grantee, as the Sec-  
3 retaries deem appropriate, in accord-  
4 ance with an agreement entered into  
5 with the grantee after good-faith ne-  
6 gotiations; and

7 “(III) shall include, as appro-  
8 priate, the following outcome meas-  
9 ures in the evaluation plan developed  
10 under subclause (I):

11 “(aa) Placements in unsub-  
12 sidized employment.

13 “(bb) Retention in unsub-  
14 sidized employment 6 months  
15 and 12 months after initial place-  
16 ment.

17 “(cc) Earnings of individuals  
18 at the time of placement in un-  
19 subsidized employment.

20 “(dd) Earnings of individ-  
21 uals 12 months after placement  
22 in unsubsidized employment.

23 “(ee) The extent to which  
24 unsubsidized job placements in-  
25 clude access to affordable em-



1           employer-sponsored health insurance  
2           and paid leave benefits.

3                   “(ff) Comparison of pre-  
4                   and post-program wage rates of  
5                   participants.

6                   “(gg) Comparison of pre-  
7                   and post-program skill levels of  
8                   participants.

9                   “(hh) Wage growth and em-  
10                  ployment retention in relation to  
11                  occupations and industries at ini-  
12                  tial placement in unsubsidized  
13                  employment and over the first 12  
14                  months after initial placement.

15                  “(ii) Recipient of cash as-  
16                  sistance under the State program  
17                  funded under this part.

18                  “(jj) Average expenditures  
19                  per participant.

20                  “(iii) REPORTS TO CONGRESS.—The  
21                  Secretaries shall submit to Congress the  
22                  following reports on the evaluations of pro-  
23                  grams funded under grants made under  
24                  this paragraph:

1 “(I) INTERIM REPORT.—An in-  
 2 terim report not later than 4 years  
 3 after the date of enactment of the  
 4 Business Links Act of 2003.

5 “(II) FINAL REPORT.—A final  
 6 report not later than 6 years after  
 7 such date of enactment.

8 “(L) APPROPRIATION.—

9 “(i) IN GENERAL.—Out of any money  
 10 in the Treasury of the United States not  
 11 otherwise appropriated, there is appro-  
 12 priated for grants under this section,  
 13 \$200,000,000 for each of fiscal years 2004  
 14 through 2008.

15 “(ii) AVAILABILITY.—Amounts appro-  
 16 priated under clause (i) for a fiscal year  
 17 shall remain available for obligation for 5  
 18 fiscal years after the fiscal year in which  
 19 the amount is appropriated.”.

20 (b) EFFECTIVE DATE.—The amendment made by  
 21 subsection (a) shall take effect on October 1, 2003.

○